M.R.O. 1—77,006—8-6-37.

(1) Number of pages 24

(2) Date of repair 30-8-39

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

FINANCE DEPARTMENT.

G.O. No. 116	Press / Mis.
Dated 12	18 67.

13/13

30-32

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
12th March 1867.

Read the following papers :—

No. 30. From the Secretary and Treasurer, Bank of Madras, to the Chief Secretary to Government, Fort Saint George ; dated Madras, 6th March 1867, No. $\frac{4\,8}{6\,2\,0}$.

The Directors of this Bank have had their attention called to the published statements of the Bank of Bombay, which, under ordinary circumstances, they would consider as requiring them to withdraw their account.

2. But before taking any decided steps, I am desired to communicate with you, for the purpose of ascertaining whether, in the opinion of this Government, the Directors are justified in continuing their transactions with the Bank of Bombay, under the letter, signed by the Chief Secretary of the Government of Bombay, which has appeared in the public prints, and of which I enclose a copy. If any information is required from Calcutta or Bombay on the point now submitted, the Directors trust the Government will be good enough to obtain it by telegram, as an early answer is of much importance, looking to the extensive current business carried on by this Bank with Bombay.

From the Chief Secretary to Government, Bombay, to the Secretary, Bank of Bombay; dated Bombay Castle, 25th February 1867.

His Excellency the Governor in Council having reason to believe that many depositors have withdrawn their balances from the Bank of Bombay, consequent on the belief that some change has occurred in the relation between the Government and the Bank, I am directed to inform you that, the agreement having been renewed for a year from the 1st proximo, Government are prepared to support the Bank, to the full extent of their available resources, from the present date to the termination of the renewed agreement.

No. 31. Telegram from the Secretary to the Government of India, Financial Department, to the Chief Secretary to Government, Fort Saint George ; dated Calcutta, 11th March 1867.

The Governor General in Council thinks it would be most inexpedient for the Bank of Madras to withdraw its account from the Bank of Bombay. The Government of India will support the Bank of Bombay.

No. 32. ORDER THEREON, 12th March 1867, No. 116.

Ordered that the foregoing telegram be communicated to the Directors of the Bank of Madras.

(True Extract).

Chief Secretary.

To the Directors of the Bank of Madras.
,, Accountant General.

Exd. J. H. Burns.

No 46/529 1 38

Bank of Madras
Madras 6th March 1867.

To
The Honble A. J. Arbuthnot
Chief Secretary to Govt
Fort St George

Sir,

The Directors of this Bank have had their attention called to the published statements of the Bank of Bombay, which under ordinary circumstances they would consider as requiring them to withdraw their accounts

But before taking any decided steps, I am desired to communicate with you for the purpose of ascertaining whether in the opinion of this Government the Directors are justified in continuing their transactions with the Bank of Bombay under the letter signed by the Chief Secretary of the Government of Bombay which has appeared in the public prints, and of which I enclose a copy. If any information is

is required from Calcutta or Bombay on the point now submitted, the Directors trust the Government will be good enough to obtain it by telegram, as an early answer is of much importance, - looking to the extensive current business carried on by this Bank with Bombay.

I have the honor to be
Sir
Your most obed.t Servant

J. W.m Frost
Secretary & Treasr

To
The Secretary Bank of Bombay

Sir/

His Excellency the Governor in Council having reason to believe that many depositors have withdrawn their balances from the Bank of Bombay consequent on the belief that some change has occurred in the relations between the Government and the Bank, I am directed to inform you that the Agreement having been renewed for a year from the 1st Proximo, Government are prepared to support the Bank to the full extent of their available resources from the present date to the termination of the renewed Agreement

I have &c
Signed/ J. S. Chapman
Chief Secty to Govt

Bombay Castle
Feby 25th 1867

(True Copy)
J. W. Ick
Secty & Treas Bank of Bom

Enclosed Copy of Letter from Govt dated 25th Feby 1867 to the Secy of Revenue Dept Bombay Castle
Feby 25th 1867

S No 116

Received
26 Feby 1867

Received
26 Feby 1867

Copy of Letter to the Secretary Bank of Bombay

Sir

I am directed to inform you that the Agreement having been renewed for a year from the 1st Proximo, Government are prepared to support the Bank to the full extent of their available resources from the present date to the termination of the renewed Agreement

I have &c
Signed/ J. S. Chapman
Chief Secty to Govt

Bombay Castle
Feby 25th 1867

(True Copy)
J. W. Ick
Secty & Treas Bank of Bom

Copy Bank
28 Feby

30.

To Bolden

Financial Department

No. 105.

From the Secretary & Treasurer of the
Madras Bank

Dated 6th March 1867.

For orders.

It may be best to ask the Accountant
General confidentially for his opinion
on this letter. He is no doubt a Director
but he may not have a friend to
refer to first, and at all events he
may have an object in keeping
on the right side of the Board.

The Advocate General might also
be consulted perconfidentially

whether it [illegible] to express any opinion in such a case.

My own opinion would be that as the Bombay [illegible] Government to support the Bank if they think of this would [illegible] reasons the Indian Bank should not withdraw their account. To do so would in fact be to [illegible] the Bombay Bank any friendly indent - a course which in consideration [illegible] recommend. The fact of Sir [illegible] would I am satisfied [illegible] any more [illegible] than let the Bombay Bank collapse.

Perhaps might [illegible]

[illegible] explain [illegible] [illegible] [illegible]

1349

Commandeur

Sir Cowasjee Jehangier Readymoney.

Sir Bruce Richmond
& the Board of Directors
of the Bombay Bank have
been pleased to appoint
and have informed me
that he has accordingly
by telegraph given the
sanction of the Bank
of Bengal and that Bank
has also sanctioned its
branch Agency
with the Bank of Bombay.
Messrs Bruce & Co have me
that in his opinion the
guarantee given by the
Govt. of Bombay is quite
sufficient & justifies the

Bombay Bank in anticipation
of Directors meeting
The Bombay Bank, has
sent the Directors more
money than is necessary
& during so without
their particulars & the
opinion of the Govt.
as to profit. Their
Agent is sent to Govt.
Accountant General
to bring Govt. Cheque
Bombay Govt. is a sufficient
guarantee.

The Accountant General
knows I have also seen
but not present at the
meeting when the Cheque
Govt. was received as.
He is of opinion that the
Govt. ought to give the

Better I think
send the Telegram
from Jeir to
say that
desired by the
Directors of the
Bank of Bombay

Directors of the Bank have
no means of ascertaining
the sufficiency of the guarantee
given by the Govt. of Bombay
in their Circular Letter
letter of the 25th October;
but have sent the matter
over in which the Directors
must exercise their own
discretion.

I submit herewith a draft
of proposed
letter to the Govt. and
also a telegram, should
it be deemed preferable
to telegraph to the Govt.
of India upon applying
for the letter from the
Directors of the Bombay
Bank.

I should be quite thankful
to you in relation to the Bank
Question that the guarantee
given by the Bombay Govt. thro'
their Secretary, covers all
that they can return, especially as that the
Bombay Branch has ascertained that the Bengal Branch has not drawn in excess of
operations with the Bombay Bank;
but as the telegram is to do that it
would be quite course.

[illegible]

Memorandum
for
Cashier

Bank of

Bombay
Agency

1. A cert. check in
Cashier.

Bank of

Mr Director of the
Western ~~Bank~~ Corporation
Charters Co Letter from
the Secretary of Bombay
Bombay Bank
dated 10th Feb 1868 advising
just pass Western Bank
in continuing its transactions
with Bank of Bombay.
It seems my understanding
that the Western Bank
cancel discredit Bombay
Bank & withdrawing
its account. Should
answer should be sent
to the Director.
by A.

1919

[illegible] Jamaica in Council
[illegible] no reason to question
[illegible] opinion of the
~~Executive~~ Council that
[illegible] prior to the Bench
of Bombay by the
Governor of that
Colony during the
of the 25th ultimo in
which it is expressly
stated that the Govt
of Bombay "are prepared
"to support the Bench
"to the full extent of their
"available resources from
"the present date to the
"termination of the present
"agreement."
The matter however is one
in which the Directors

of the Bank of Madras must act as their discretion and in event & shall the Govt. must disclaim & assume any responsibility.

G.N.

I am sure there proceedings. I don't think there any ground for alarm. He gov. General informed me personally that he was determined to support the Bombay Bank & carry it through. The last news at Calcutta when I left on that the Bank of Bombay would probably be wound up & a new scheme established & amalgamated with the Bank of Bengal. N.

Financial Department.

218 5

PROCEEDINGS of the MADRAS GOVERNMENT.

Read letter from the Secretary and Treasurer to the Bank of Madras D/ 6 March 1867. No. 48/529.

Read also the following telegram from the Secretary to the Govt. of India, Financial Deptt. D/ 11 March/67.

Order thereon. 12 March 1867 No. 116.

Ordered that the foregoing telegram be communicated to the Directors of the Bank of Madras.—

GPG

WM

CR

The Directors of the Bank of Madras } dispd 12 m Mrs.
Acct General — Do. — 14/3/67

Bank of Madras

Financial 1867. Department.

No. 116

PROCEEDINGS OF GOVERNMENT.

Dated. 12th March 1867

F No 262

31 C 32